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November __, 1994

18975-G

Mr. Vernon A. Williams, Acting Secretary
Interstate Commerce Commission
Twelfth Street & Constitution Avenue, N.W.
Washington, DC 20423

Re: Indiana Michigan Power Company
Leveraged Lease Financing of
376 Aluminum-bodied, Rotary-Dump
Gondola Rail Cars

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11303 of Title 49 of the United States Code, two original copies of the secondary document described below, which secondary document is related to the previously recorded primary documents also identified below. As one of the attorneys representing the Note Purchaser in this transaction, I have knowledge of the matters described in this letter.

The enclosed secondary document is as follows:

(1) Amendment Agreement, dated as of November 1, 1994 among Indiana Michigan Power Company, as Lessee, KBNY Leasing Inc., as Owner Participant, Shawmut Bank Connecticut, National Association, as Owner Trustee, Phoenix Home Life Mutual Insurance Company, as Note Purchaser and Wilmington Trust Company, as Security Trustee.

The primary documents to which the enclosed secondary document relate are as follows:

(1) Railcar Lease, dated as of August 1, 1994, between Shawmut Bank Connecticut, National Association, as lessor (the "Lessor"), and Indiana Michigan Power Company, as lessee (the "Lessee"), which was recorded on September 9, 1994 and assigned recordation number 18975; and

(2) Security Agreement-Trust Deed, dated as of August 1, 1994 (the "Security Agreement"), between Shawmut Bank Connecticut, National Association, as debtor (the "Debtor"), and Wilmington Trust Company, as security trustee (the "Security

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Mr. Vernon A. Williams, Acting Secretary

November __, 1994

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Trustee"), which was recorded on September 9, 1994 and assigned recordation number 18975-A.

The Capitalized terms used herein and not otherwise defined herein shall have the respective meanings specified in Annex 1 to the Security Agreement.

The names and addresses of the parties to the primary documents which are related to the enclosed secondary document are as follows:

RAILCAR LEASE

Lessee: Indiana Michigan Power Company
c/o American Electric Power
Service Corporation
1 Riverside Plaza
Columbus, Ohio 43215

Lessor: Shawmut Bank Connecticut, National Association
777 Main Street
Hartford, Connecticut 06115

SECURITY AGREEMENT-TRUST DEED

Debtor: Shawmut Bank Connecticut, National Association
777 Main Street
Hartford, Connecticut 06115

Security Trustee: Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

The Amendment Agreement provides, *inter alia*, for the amendment of the definition of "*Purchase Price*" in Annex 1 to the Participation Agreement, Security Agreement-Trust Deed, Railcar Lease and Trust Agreement.

A fee of eighteen dollars (\$18.00) is enclosed. Please time and date stamp the enclosed copy of the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed document and return the original and any extra copies of such document and this letter not needed by the Commission for recordation to:

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Mr. Vernon A. Williams, Acting Secretary
November __, 1994
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Elizabeth C. Sheil, Esq.
Chapman and Cutler
111 West Monroe, Suite 1400
Chicago, Illinois 60603-4080

A short summary of the document to appear in the index follows:

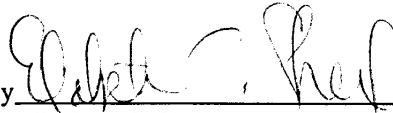
(1) AMENDMENT AGREEMENT:

Amendment Agreement among Indiana Michigan Power Company, as Lessee, c/o American Electric Power Service Corporation, 1 Riverside Plaza, Columbus, Ohio 43215, KBNY Leasing Inc., as Owner Participant, c/o KeyCorp Leasing Ltd., 54 State Street, Albany, New York 12207, Shawmut Bank Connecticut, National Association, as Owner Trustee, 777 Main Street, Hartford, CT 06115, Phoenix Home Life Mutual Insurance Company, as Note Purchaser, One American Row, Hartford, Connecticut 06115, and Wilmington Trust Company, as Security Trustee, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890, dated as of November 1, 1994, providing for the amendment of the definition of "*Purchase Price*" contained in Annex 1 to the Participation Agreement, Security Agreement-Trust Deed, Railcar Lease and Trust Agreement. The Amendment Agreement is related to the Railcar Lease between the Lessor and the Lessee dated as of August 1, 1994, which was previously recorded on September 9, 1994 and assigned recordation number 18975. The Amendment Agreement is also related to the Security Agreement-Trust Deed between the Debtor and the Security Trustee, dated as of August 1, 1994, which was previously recorded on September 9, 1994 and assigned recordation number 18975-A.

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-3849).

Sincerely,

CHAPMAN AND CUTLER

By 
Elizabeth C. Sheil

ECS/fh
Enclosure

AMENDMENT AGREEMENT

Dated as of November 1, 1994

RE: INDIANA MICHIGAN POWER TRUST NO. 94-1

Among

INDIANA MICHIGAN POWER COMPANY

as Lessee

KBNY LEASING INC.

as Owner Participant

SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION,
Individually only as expressly provided
herein and otherwise solely as Owner Trustee under
Indiana Michigan Power Trust No. 94-1,

as Owner Trustee

PHOENIX HOME LIFE MUTUAL INSURANCE COMPANY

as Note Purchaser

And

WILMINGTON TRUST COMPANY,
Individually only as expressly provided
herein and otherwise as Security Trustee,

as Security Trustee

(Indiana Michigan Power Trust No. 94-1)

This Amendment Agreement has been executed in several counterparts. To the extent, if any, that this Amendment Agreement constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), no security interest in this Amendment Agreement may be created through the transfer or possession of any counterpart hereof other than the "Counterpart No. 1". This Counterpart is Counterpart No. 5 of 12. Certain rights of Owner Trustee under this Amendment Agreement have been assigned as security to, and are subject to a security interest in favor of Wilmington Trust Company, as Security Trustee under the Security Agreement-Trust Deed dated as of August 1, 1994 between Owner Trustee and the Security Trustee, for the benefit of the holders of the Notes referred to therein.

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AMENDMENT AGREEMENT

THIS AMENDMENT AGREEMENT dated as of November 1, 1994 (this "Agreement") is among INDIANA MICHIGAN POWER COMPANY, an Indiana corporation (the "Lessee"), KBNY LEASING INC., a New York corporation (the "Owner Participant"), SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, not individually except with respect to Sections 3.1 and 8 of the Original Participation Agreement (as hereinafter defined) to the extent expressly provided therein but solely as trustee under Indiana Michigan Power Trust No. 94-1 (the "Owner Trustee"), PHOENIX HOME LIFE MUTUAL INSURANCE COMPANY (the "Note Purchaser") and WILMINGTON TRUST COMPANY, individually to the extent provided in the Original Participation Agreement, and otherwise as trustee (the "Security Trustee") under the Original Security Agreement (as hereinafter defined).

RECITALS:

A. The capitalized terms used in this Agreement shall have the respective meanings specified in Annex 1 to the Original Participation Agreement unless otherwise herein defined or the context hereof shall otherwise require.

B. The Lessee, the Owner Participant, the Note Purchaser, the Owner Trustee and the Security Trustee have heretofore entered into that certain Participation Agreement dated as of August 1, 1994 (the "Original Participation Agreement").

C. The Owner Trustee, as debtor, and the Security Trustee, as security trustee, have heretofore entered into that certain Security Agreement-Trust Deed dated as of August 1, 1994 (the "Security Agreement"), as supplemented by Security Agreement Supplement No. 1 dated September 9, 1994 ("Security Agreement Supplement No. 1") and Security Agreement Supplement No. 2 dated November 14, 1994 ("Security Agreement Supplement No. 2"; the Security Agreement as so supplemented by Security Agreement Supplement No. 1 and Security Agreement Supplement No. 2 being herein referred to as the "Original Security Agreement").

D. The Owner Trustee, as lessor, and the Lessee, as lessee, have heretofore entered into that certain Railcar Lease dated as of August 1, 1994 (the "Lease"), as supplemented by Lease Supplement No. 1 dated September 9, 1994 ("Lease Supplement No. 1") and Lease Supplement No. 2 dated November 14, 1994 ("Lease Supplement No. 2"; the Lease as so supplemented by Lease Supplement No. 1 and Lease Supplement No. 2 being herein referred to as the "Original Lease").

E. The Owner Participant and the Owner Trustee have heretofore entered into that certain Trust Agreement dated as of August 1, 1994 (the "Original Trust Agreement").

F. The parties hereto desire to amend the Original Participation Agreement, the Original Security Agreement, the Original Lease and the Original Trust Agreement

(collectively, the "*Original Agreements*") in the respects, but only in the respects, hereinafter set forth.

In consideration of the foregoing and the premises hereof, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. AMENDMENTS TO ORIGINAL AGREEMENTS.

Annex 1 to the Original Participation Agreement, the Original Security Agreement, the Original Lease and the Original Trust Agreement is hereby amended by deleting the words "with respect to an Item of Equipment \$43,743.76." appearing in the definition of "Purchase Price" contained therein and substituting the words "(i) \$43,743.76 with respect to an Item of Equipment listed on Schedule 1 to Lease Supplement No. 1 and any Replacement Item therefor and (ii) \$43,623.71 with respect to an Item of Equipment listed on Schedule 1 to Lease Supplement No. 2 and any Replacement Item therefor." in lieu thereof.

SECTION 2. AUTHORIZATION TO EXECUTE AGREEMENT.

The Owner Participant, by execution hereof, authorizes the Owner Trustee to execute and deliver this Agreement. The Note Purchaser, by execution hereof, authorizes the Security Trustee to execute and deliver this Agreement.

SECTION 3. MISCELLANEOUS.

Section 3.1. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Indiana (without regard to the conflict of laws provisions of such state).

Section 3.2. Execution. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts (or upon separate signature pages bound together into one or more counterparts), each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. To the extent, if any, that this Agreement constitutes chattel paper or other collateral within the meaning of the Uniform Commercial Code (or other law respecting security interests) as in effect in any applicable jurisdiction, no security interest in the Owner Trustee's interest under this Agreement may be created through the transfer or possession of any counterpart of this Agreement other than the original executed Counterpart No. 1 hereof or thereof which shall be identified on the cover, the receipt of which is acknowledged by the Security Trustee.

Section 3.3. Headings and Table of Contents. The headings of the Sections of this Agreement and the Table of Contents are inserted for purposes of convenience of reference only and shall not be construed to affect the meaning, construction or effect of any of the provisions hereof and any reference to numbered Sections, unless otherwise indicated, is to Sections of this Agreement.

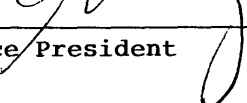
Section 3.4. Reference to Original Agreements. Any and all notices, requests, certificates and other instruments executed and delivered concurrently with or after the execution and delivery of this Agreement may refer to the "*Participation Agreement dated as of August 1, 1994*", the "*Railcar Lease dated as of August 1, 1994*", the "*Security Agreement-Trust Deed dated as of August 1, 1994*" or the "*Trust Agreement dated as of August 1, 1994*", as the case may be, without making specific reference to this Agreement but nevertheless all such references shall be deemed to include Section 1 of this Agreement unless the context shall otherwise require.

Section 3.5. Ratification. Except to the extent amended or modified hereby, the Original Agreements are in all respects hereby ratified, confirmed and approved by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered, all as of the date first above written.

LESSEE

INDIANA MICHIGAN POWER COMPANY

By  _____
Its Vice President

STATE OF OHIO)
) SS.:
COUNTY OF FRANKLIN)


On this, the 10th day of November, 1994, before me, a Notary Public in and for said County and State, personally appeared G. P. MALONEY, the Vice President of INDIANA MICHIGAN POWER COMPANY, who acknowledged himself to be a duly authorized officer of INDIANA MICHIGAN POWER COMPANY, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Mary M. Soltesz
Name: Mary M. Soltesz
Notary Public
My Commission Expires: 7-12-99
Residing in Reynoldsburg, OH

OWNER PARTICIPANT:

KBNY LEASING INC.

By 
Its Paul Laskys
Executive Vice President

STATE OF New York)
) SS.:
COUNTY OF Albany)

On this, the 10th day of November, 1994, before me, a Notary Public in and for said County and State, personally appeared Paul Larkins, the EVP of KBNY LEASING INC., who acknowledged himself to be a duly authorized officer of KBNY LEASING INC., and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Patricia M Norwood

Name:

Notary Public

My Commission Expires:

Residing in _____

PATRICIA M. NORWOOD
Notary Public, State of New York
No. 4863343
Qualified in Rensselaer County
Commission Expires June 23, 1996

OWNER TRUSTEE:

SHAWMUT BANK CONNECTICUT, NATIONAL
ASSOCIATION, individually only as
expressly provided herein and otherwise as
Owner Trustee, as aforesaid

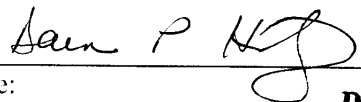


By ALAN A. COFFEY
Its ASSOCIATE VICE PRESIDENT

STATE OF **CONNECTICUT**)
) SS.:
COUNTY OF **HARTFORD**)


On this, the 10th day of November, 1994, before me, a Notary Public in and for said County and State, personally appeared ALAN B. COFFEY, the ASSISTANT VICE PRESIDENT of SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, who acknowledged himself to be a duly authorized officer of SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.


Name: _____
Notary Public
My Commission Expires: _____
Residing in _____
DAWN P. HEINTZ
NOTARY PUBLIC
MY COMMISSION EXPIRES MAY 31, 1999

SECURITY TRUSTEE:

WILMINGTON TRUST COMPANY, individually
only as expressly provided herein and
otherwise as Security Trustee, as aforesaid

By  _____
Its
Financial Services Officer

STATE OF Delaware)
) SS.:
COUNTY OF New Castle)

On this, the 10th day of November, 1994, before me, a Notary Public in and for said County and State, personally appeared PATRICIA A. EVANS, ~~Financial Services Officer~~ of WILMINGTON TRUST COMPANY, who acknowledged himself to be a duly authorized officer of WILMINGTON TRUST COMPANY, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Paula M. [Signature]
Name: NOTARY PUBLIC
Notary Public My Commission Expires April 14, 1996
My Commission Expires:
Residing in W. Dela

NOTE PURCHASER:

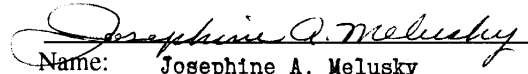
PHOENIX HOME LIFE MUTUAL INSURANCE
COMPANY

By Paul M. Chantz
Its MANAGING DIRECTOR

STATE OF CONNECTICUT)
) SS.:
COUNTY OF HARTFORD)

On this, the 10th day of November, 1994, before me, a Notary Public in and for said County and State, personally appeared Paul M. Chute, the Managing Director of PHOENIX HOME LIFE MUTUAL INSURANCE COMPANY, who acknowledged himself to be a duly authorized officer of PHOENIX HOME LIFE MUTUAL INSURANCE COMPANY, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.


Name: Josephine A. Melusky
Notary Public
My Commission Expires: 3/31/95
Residing in ~~East~~ West Hartford, CT